

Department of Lands

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2003 Total App	FY 2003 Actual	FY 2004 Approp	FY 2005 Request	FY 2005 Gov Rec
BY PROGRAM					
Support Services	3,807,700	3,310,400	4,327,700	5,015,100	4,632,200
Forest Resources Management	15,846,600	12,517,500	15,507,900	17,520,800	16,820,400
Land,Range,Mineral Mgmt	4,159,300	3,332,000	4,461,100	4,829,500	4,784,000
Forest & Range Fire Protection	15,088,100	13,707,300	9,860,500	10,089,100	9,986,100
Scaling Practices	309,900	196,100	287,300	247,400	248,300
Total:	39,211,600	33,063,300	34,444,500	37,701,900	36,471,000
BY FUND CATEGORY					
General	4,600,100	4,400,200	4,773,000	5,295,100	4,793,100
Dedicated	29,489,800	24,408,800	24,006,700	26,645,800	25,987,700
Federal	5,121,700	4,254,300	5,664,800	5,761,000	5,690,200
Total:	39,211,600	33,063,300	34,444,500	37,701,900	36,471,000
Percent Change:		(15.7%)	4.2%	9.5%	5.9%
BY OBJECT OF EXPENDITURE					
Personnel Costs	13,509,500	16,764,000	13,617,600	15,192,400	15,071,900
Operating Expenditures	8,920,700	11,194,200	9,753,600	10,292,100	9,699,900
Capital Outlay	972,000	1,179,100	491,500	1,407,000	991,800
Trustee/Benefit	721,300	3,926,000	721,300	721,300	721,300
Lump Sum	15,088,100	0	9,860,500	10,089,100	9,986,100
Total:	39,211,600	33,063,300	34,444,500	37,701,900	36,471,000
Full-Time Positions (FTP)	249.61	249.61	249.61	260.61	259.61

Division Description

The Department of Lands has five budgeted programs. 1) The Support Services Program provides staff support to the State Board of Land Commissioners, and provides administrative and technical assistance in areas such as legal, data processing, personnel, fiscal and mapping. 2) The Division of Forest Resources has the responsibility to develop and supervise an annual timber sales program of 165,000,000 to 200,000,000 board feet on State endowment lands; develop and administer an intensive forest improvement program to enhance the productivity of state forest lands; and provide assistance to Idaho's cities and rural communities in the areas of the forest practices act, forest stewardship, and urban forestry programs. 3) The Land, Range, and Mineral Resource Management program maximizes income from cropland, grazing, mineral resources, recreation sites and special surface uses of State owned land. It provides environmental protection of the State's natural resources and public trust lands through active administration of the Lake Protection Act, Surface Mining Act, Dredge & Placer Mining Act, and the Oil & Gas Conservation Commission Act. The program administers a State land sale and exchange program and uses the land exchange program to consolidate State ownership for management efficiency while acquiring high value, high revenue producing property. 4) The Forest and Range Fire Protection program provides protection to the timbered and grazing lands and resources of the state through prevention, rapid detection and suppression of wildfire; and provides assistance to rural community fire departments. 5) The Board of Scaling Practices is charged with the responsibility of assuring that only competent and certified scalers are used by the forest products industry to scale (measure) forest products in a standard, uniform method statewide.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2004 Original Appropriation	249.61	4,773,000	34,444,500	249.61	4,773,000	34,444,500
Reappropriations	0.00	0	234,600	0.00	0	234,600
Fire Suppression Deficiency Warrants	0.00	11,000,000	11,000,000	0.00	11,600,000	11,600,000
Other Approp Adjustments	0.00	(11,000,000)	(11,000,000)	0.00	(11,600,000)	(11,600,000)
FY 2004 Total Appropriation	249.61	4,773,000	34,679,100	249.61	4,773,000	34,679,100
Non-Cognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2004 Estimated Expenditures	249.61	4,773,000	34,679,100	249.61	4,773,000	34,679,100
Removal of One-Time Expenditures	0.00	(125,000)	(1,132,000)	0.00	(125,000)	(1,132,000)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2005 Base	249.61	4,648,000	33,547,100	249.61	4,648,000	33,547,100
Personnel Cost Rollups	0.00	59,700	299,700	0.00	59,700	299,700
Inflationary Adjustments	0.00	33,400	286,700	0.00	0	0
Replacement Items	0.00	176,000	1,182,800	0.00	0	850,800
Nonstandard Adjustments	0.00	200	(8,700)	0.00	(2,800)	(23,700)
Change in Employee Compensation	0.00	25,800	160,100	0.00	52,200	324,100
FY 2005 Program Maintenance	249.61	4,943,100	35,467,700	249.61	4,757,100	34,998,000
1. Increase Timber Harvest	10.00	0	1,107,500	10.00	0	1,107,500
2. Endangered Species Response	1.00	300,000	650,000	0.00	0	0
3. Additional Equipment	0.00	0	56,500	0.00	0	56,500
4. Priest Lake Sewer Hookup	0.00	36,000	65,000	0.00	36,000	65,000
5. IT Disk Storage Units	0.00	16,000	80,000	0.00	0	0
6. Mine Bonding	0.00	0	100,000	0.00	0	100,000
7. Facility Alterations & Improvements	0.00	0	175,200	0.00	0	144,000
Lump-sum Request for Fire Mgmt	0.00	0	0	0.00	0	0
FY 2005 Total	260.61	5,295,100	37,701,900	259.61	4,793,100	36,471,000
Change from Original Appropriation	11.00	522,100	3,257,400	10.00	20,100	2,026,500
% Change from Original Appropriation		10.9%	9.5%		0.4%	5.9%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2004 Original Appropriation					
	249.61	4,773,000	24,006,700	5,664,800	34,444,500
Reappropriations					
Land, Range, and Mineral Resource Management					
The Idaho Abandoned Mine Reclamation Act (Idaho Code §47-1703) provides that any unencumbered and unexpended balance of the account remaining at the end of a fiscal year shall not lapse but shall be carried forward for the purposes of the act until expended or until the law is changed. The fiscal year 2003 appropriation from the Abandoned Mine Reclamation Fund was \$251,500 of which \$16,900 was actually expended. The source of revenues for this fund is from a portion of the Mine License Tax.					
Agency Request	0.00	0	234,600	0	234,600
Governor's Recommendation	0.00	0	234,600	0	234,600
Fire Suppression Deficiency Warrants					
Forest & Range Fire Protection					
The Idaho Department of Lands (IDL) estimates the costs of fire suppression for the 2003 fire season at \$11.0 million from the General Fund and \$1.0 million in receipts received from cooperating agencies. The department participates in cooperative fire fighting agreements with federal, local and other state agencies. The state is then responsible for the costs incurred for fire suppression on lands protected by the state regardless of ownership. The department will provide a better estimate of costs in December that will be reflected in the Governor's Recommendation. [One-time]					
Agency Request	0.00	11,000,000	0	0	11,000,000
Provides for the estimated cost of fire suppression for 2003 fire season. Reimbursable fire revenue collected from outside entities is estimated at \$900,000.					
Governor's Recommendation	0.00	11,600,000	0	0	11,600,000
Other Approp Adjustments					
Transfers the General Fund appropriation to the fire suppression deficiency warrant fund for actual expenditure.					
Agency Request	0.00	(11,000,000)	0	0	(11,000,000)
Governor's Recommendation	0.00	(11,600,000)	0	0	(11,600,000)
FY 2004 Total Appropriation					
Agency Request	249.61	4,773,000	24,241,300	5,664,800	34,679,100
Governor's Recommendation	249.61	4,773,000	24,241,300	5,664,800	34,679,100
Non-Cognizable Funds and Transfers					
Adjusts .45 FTPs between fund sources. Transfers \$112,000 and 3.4 FTPs between programs.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Estimated Expenditures					
Agency Request	249.61	4,773,000	24,241,300	5,664,800	34,679,100
Governor's Recommendation	249.61	4,773,000	24,241,300	5,664,800	34,679,100
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	0.00	(125,000)	(1,007,000)	0	(1,132,000)
Governor's Recommendation	0.00	(125,000)	(1,007,000)	0	(1,132,000)

Department of Lands

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Budget by Decision Unit

	FTP	General	Dedicated	Federal	Total
Base Adjustments					
Forest Resources Management					
Moves \$295,400 in endowment earnings from operating expenditures to personnel costs to cover a shortfall due to an internal reorganization which shifted the FTPs without aligning the required funding. This shortfall in the Forest Resources Management Program is covered in the current year with personnel funding from the Fire Protection Program's Lump-sum budget.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
FY 2005 Base					
Agency Request	249.61	4,648,000	23,234,300	5,664,800	33,547,100
Governor's Recommendation	249.61	4,648,000	23,234,300	5,664,800	33,547,100
Personnel Cost Rollups					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are: health insurance rates which are projected to increase by 17 percent, from \$5,548 to \$6,493 per employee; and retirement system (PERSI) rates that will increase by over 6% to 10.39 and 10.73 percent of salary for regular and police/firefighter members, respectively.					
Agency Request	0.00	59,700	237,500	2,500	299,700
Governor's Recommendation	0.00	59,700	237,500	2,500	299,700
Inflationary Adjustments					
Includes a general inflationary increase of 1.9% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	33,400	170,900	82,400	286,700
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
Includes \$576,100 for computer equipment, \$358,000 for 16 pickups, \$88,000 for two truck chassis, \$55,000 for field equipment, and \$77,700 for radios. Also, General Fund monies in the amount of \$28,000 are requested to purchase repeater stations, mobile radios and portable radios for the Southern Idaho Timber Protective Association (SITPA) located in McCall. These radios will give SITPA the ability to move to the narrowband by 2005 as required by the Federal Communications Commission (FCC). An effective protection system includes radio communications between the Forest Service, Bureau of Land Management, Department of Lands and rural community fire departments. [One-time]					
Agency Request	0.00	176,000	1,006,800	0	1,182,800
<i>The Governor's recommendation removes all General Fund monies for computer equipment replacement and reduces the dedicated fund request for computer equipment replacement by about half. It is believed that the department can and should use current year spending authority to address its information technology replacement plan. In FY 2003 the department reverted \$544,900 in non-General Fund spending authority in the Support Services program. The recommendation also removes one vehicle and field equipment requested from the General Fund and eliminates the \$28,000 SITPA request for radio equipment.</i>					
Governor's Recommendation	0.00	0	850,800	0	850,800
Nonstandard Adjustments					
Includes adjustments in the following amounts: \$2,600 for Legislative Audits, \$12,400 for Building Space Charges, (24,600) for Risk Management costs, (\$16,500) for State Controller fees, (\$700) for Treasurer fees, and \$18,100 for Attorney General fees for a net adjustment of (\$8,700).					
Agency Request	0.00	200	(8,900)	0	(8,700)
<i>No additional funding is recommended for Legislative Audits or building space charges.</i>					
Governor's Recommendation	0.00	(2,800)	(20,900)	0	(23,700)

Department of Lands

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	25,800	123,000	11,300	160,100
<i>The Governor recommends a compensation increase of 2% to be distributed based on merit. No adjustment to the pay line is recommended.</i>					
Governor's Recommendation	0.00	52,200	249,000	22,900	324,100
FY 2005 Program Maintenance					
Agency Request	249.61	4,943,100	24,763,600	5,761,000	35,467,700
Governor's Recommendation	249.61	4,757,100	24,550,700	5,690,200	34,998,000
1. Increase Timber Harvest			Forest Resources Management		
This request is to increase the annual timber harvest by 20 million board feet beginning in FY 2006 and by another 10 million board feet per year beginning in FY 2007 for the next ten years. This would accelerate the annual harvest to improve forest health on Endowment lands and would capture the value in larger trees (greater than 24 inch diameter) while the milling capacity is still available. The additional capacity would be ramped up over the next two years from roughly 182 MMbf to 213 MMbf. The request includes \$532,000 for 10 permanent full-time positions, \$72,000 for temporary help, \$223,000 for contractual services, \$220,000 for vehicles, \$1,600 for global positioning systems, \$9,100 for radios, \$2,800 for relaskop scales, \$28,000 for all-terrain vehicles (ATVs), \$4,000 for office furniture, and \$15,000 for computers. The funding source is from the Endowment Earnings Reserve Fund. [\$280,500 one-time, \$827,000 ongoing]					
Agency Request	10.00	0	1,107,500	0	1,107,500
Governor's Recommendation	10.00	0	1,107,500	0	1,107,500
2. Endangered Species Response			Forest Resources Management		
The Department of Lands and private landowners continue to face litigation regarding endangered species issues. Funding is needed to coordinate and oversee endangered species issues and to develop agreements to provide incidental take coverage on Endowment and private forest lands under the Forest Practices Act. The request includes \$67,600 for a permanent program manager, \$182,400 for temporary help, and \$400,000 for contractual services to develop and populate an automated database to track the relationships between forest management activities and endangered species. The funding request is 46% General Fund and 54% Endowment Earnings. [Ongoing]					
Agency Request	1.00	300,000	350,000	0	650,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
3. Additional Equipment			Land, Range, and Mineral Resource Management		
Due to a recent agency reorganization, the agency requests \$50,000 for two new pickups and \$6,500 for one ATV. The reorganization put more of the managers hours into the field. The funding source is the Endowment Earnings Reserve Fund. [One-time]					
Agency Request	0.00	0	56,500	0	56,500
Governor's Recommendation	0.00	0	56,500	0	56,500
4. Priest Lake Sewer Hookup			Support Services		
The Department provides endowment land management and regulatory oversight from its facilities near Priest Lake. The Coolin Sewer District is upgrading their system. As a result, the Department is being assessed a fee of \$6,000 per equivalent residence unit. The Department has three equivalent units at the Coolin housing complex on public school endowment land and six at the Cavanaugh Bay administrative site on General Fund land. In addition, a trailer pad at the Coolin housing complex needs to be hooked up to the sewer system for a cost of \$11,000. [One-time]					
Agency Request	0.00	36,000	29,000	0	65,000
Governor's Recommendation	0.00	36,000	29,000	0	65,000

Department of Lands

Analyst: Houston

Budget by Decision Unit

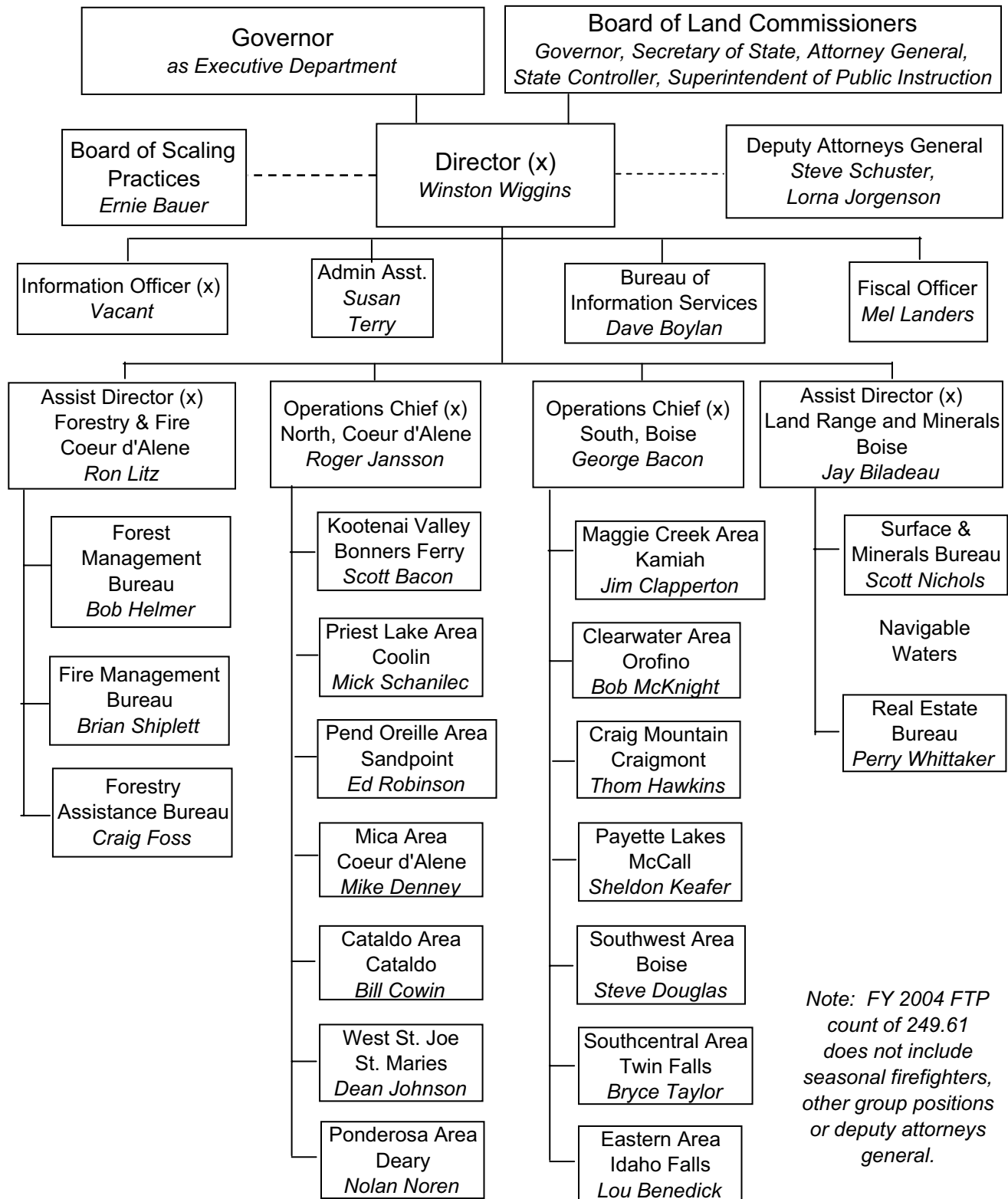
	FTP	General	Dedicated	Federal	Total
5. IT Disk Storage Units					Support Services
This decision unit addresses the need to expand disk space for continuing computer operations and planned improvements. These operations include accounting, geographic information, land records, real estate, land range and minerals leasing, web, e-mail, timber sales, compliance, and fire systems. Funding is requested in the amount of \$16,000 from General Fund monies, \$16,000 from dedicated fees, and \$48,000 from endowment earnings reserve funds. [One-time]					
Agency Request	0.00	16,000	64,000	0	80,000
<i>Not recommended. The request to expand disk space for continuing computer operations and planned activities can and should be met with current year spending authority.</i>					
Governor's Recommendation	0.00	0	0	0	0
6. Mine Bonding					Land, Range, and Mineral Resource Management
Small mine operators make payments into the mine "Reclamation Fund" pursuant to Idaho Code §14-1803. Participation in the program began in May of 2003. Funds may be authorized by appropriation for mine reclamation, administration, and mineral education. This request is to pay the costs for an actuarial analysis to determine the appropriate level of funding to be maintained in reserve and to establish a base level of \$100,000 to pay future mine reclamation expenses. [Ongoing]					
Agency Request	0.00	0	100,000	0	100,000
Governor's Recommendation	0.00	0	100,000	0	100,000
7. Facility Alterations & Improvements					Forest Resources Management
Several of the Department's administrative facilities no longer provide the space necessary for program staff. Meeting rooms have been converted to office space. This decision unit provides for 60% of the alteration and repair costs for three projects and 60% of the costs to build a vehicle storage shed at the Payette Lakes office. The request is broken down as follows: \$48,000 to remodel a shop area into an office space at Cataldo, \$92,000 to remodel the shop into office space and build a new shop at Mica, \$100,000 to construct an addition to the Payette Lakes area office in McCall, and \$52,000 to construct a vehicle storage shed at McCall. The total of these projects is \$292,000. Sixty percent of the funding is requested from the Endowment Earnings Reserve fund with the remaining 40% requested from the Permanent Building Fund Advisory Council. This request only reflects those requested projects that require agency match. [One-time, requires PBFAC approval]					
Agency Request	0.00	0	175,200	0	175,200
<i>The Permanent Building Fund Advisory Council did not recommend funding for the vehicle storage shed.</i>					
Governor's Recommendation	0.00	0	144,000	0	144,000
Lump-sum Request for Fire Mgmt					Forest & Range Fire Protection
The Department of Lands requests a lump-sum appropriation for the Forest and Range Fire Protection Program only. This provides the department the flexibility to hire temporary seasonal labor, pay overtime, or contract for fire related activities.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
FY 2005 Total					
Agency Request	260.61	5,295,100	26,645,800	5,761,000	37,701,900
Governor's Recommendation	259.61	4,793,100	25,987,700	5,690,200	36,471,000
Agency Request					
Change from Original App	11.00	522,100	2,639,100	96,200	3,257,400
% Change from Original App	4.4%	10.9%	11.0%	1.7%	9.5%
Governor's Recommendation					
Change from Original App	10.00	20,100	1,981,000	25,400	2,026,500
% Change from Original App	4.0%	0.4%	8.3%	0.4%	5.9%

Department of Lands

Issues & Information

Analyst: Houston

Organizational Chart



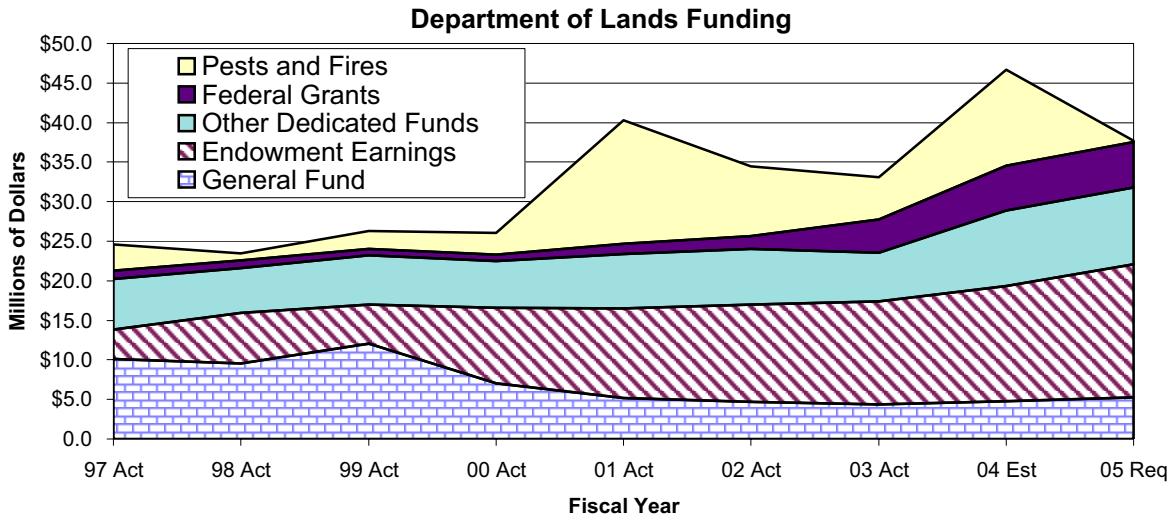
Note: FY 2004 FTP
count of 249.61
does not include
seasonal firefighters,
other group positions
or deputy attorneys
general.

(x) = exempt position

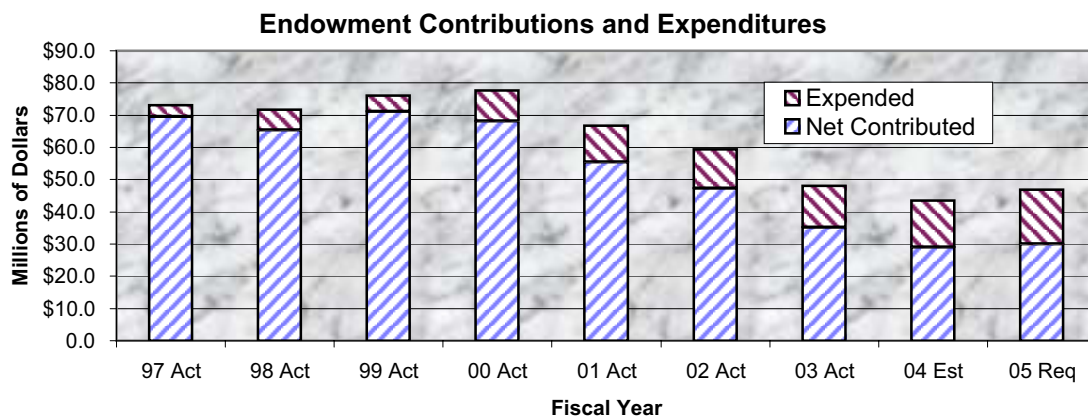
Department of Lands Issues & Information

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Funding History



Endowment Reform: The legislature shifted \$3.2 million in FY 2000 from the General Fund to the Land Improvement Fund and another \$2.5 million in FY 2001 from the General Fund to the Endowment Administrative Fund. These were endowment related costs that had been subsidized by the General Fund. In addition to the fund shifts, the Endowment funded portion grew by \$3.9 million from FY 1999 to FY 2004. The FY 2005 request would add another \$2.2 million bringing the endowment portion of the budget to \$16.8 million.



Endowment Contributions: Before Endowment reform, the Department took 10% of revenues to cover its costs. Since FY 2001, all revenues except land sales and mining revenues have gone to the Endowment Earnings Reserve and the full costs of operations have been paid from earnings. Lands net contributions decreased from the \$60 to \$70 million range in FY 1997 through FY 2000 to \$46 million in FY 2002 and \$35 million in FY 2003. Despite this reduction, the Department of Lands contributed three times more than its operating costs to the beneficiaries. FY 2003 and FY 2004 assume \$29 and \$30 million contributions after expenses. (Note: FY 2001 does not include the transfer to the Earnings Reserve Fund of \$25 million, saved up over the years in the 10% fund.)



Strategic Plan 2004-2008

MISSION STATEMENT

We manage endowment lands to maximize long-term financial returns to the beneficiaries, and provide protection to Idaho's natural resources.

VISION STATEMENT

As the leader in natural resource management in Idaho, we will maximize revenue from state endowment lands, while providing natural resource protection services throughout the state.

GOAL ONE:

ANTICIPATE SOCIAL, POLITICAL AND ECONOMIC CHANGES AND RESPOND APPROPRIATELY WITHOUT COMPROMISING THE DEPARTMENT MISSION.

GOAL TWO:

PROVIDE TIMELY, CREDIBLE, DEFENSIBLE DATA TO SUPPORT DECISIONS OF THE STATE BOARD OF LAND COMMISSIONERS, GUIDE DEPARTMENT DECISIONS, AND HELP MEET THE NEEDS OF OTHER USERS.

GOAL THREE:

MAINTAIN HEALTHY FOREST AND RANGE LANDS.

GOAL FOUR:

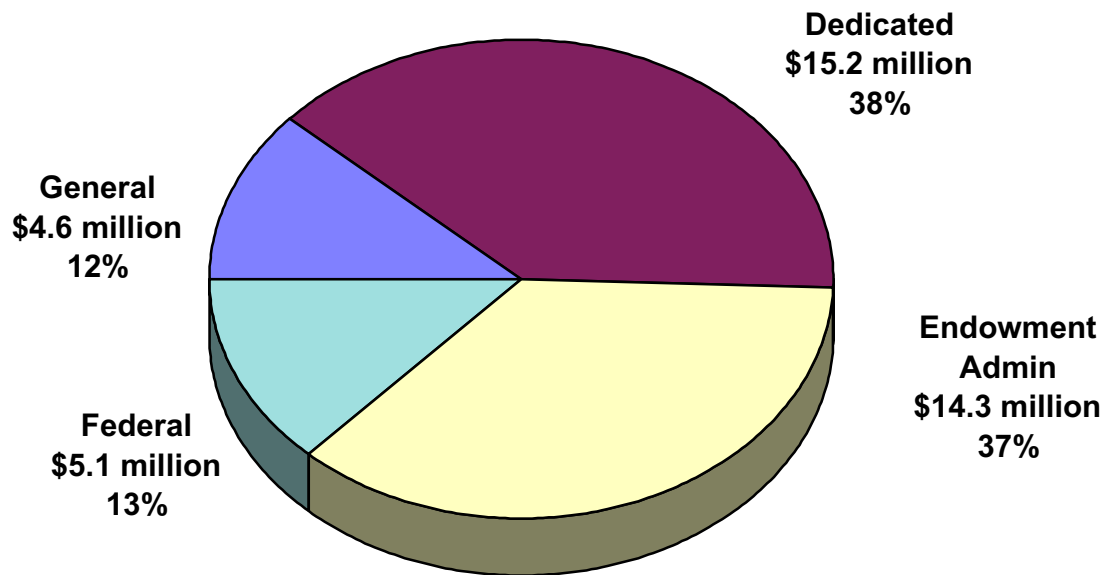
MANAGE ENDOWMENT LANDS IN A BIOLOGICALLY SOUND MANNER TO MEET FINANCIAL CRITERIA.

GOAL FIVE:

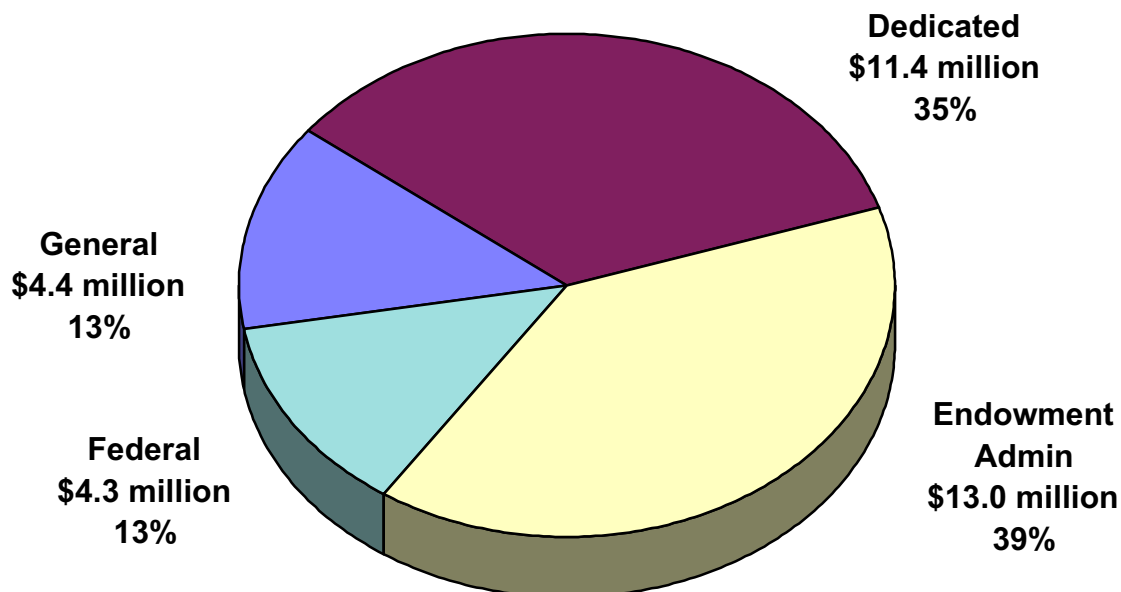
MAINTAIN A PRODUCTIVE, WELL-TRAINED WORKFORCE.

Note: See full *Strategic Plan 2004-2008* for obstacles and objectives. See *State of Idaho Performance Report* for major functions and targeted performance standards for each function.

FY 2003 Total Appropriation - \$39.2 million



FY 2003 Actual Expenditures - \$33.1 million



For FY 2003, the Department reverted (did not use) about \$1.3 million in dedicated Endowment Administrative spending authority and \$2.9 million in other dedicated spending authority. Also, the federal fund budget was \$0.9 million higher than actual expenditures. All totaled, the Department reverted about \$5.3 million or 13.5% of the total appropriation authorized by the Legislature.